expenses for export of certain agricultural products, development of clusters to help small scale exports, additional support for electronic hardware exports, further feduction in transaction costs, etc.

FDI limit in pharmaceuticals

2093. SHRIMATIAMBIKA SONI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government's decision to increase FDI limit in pharmaceuticals to 100 per cent from 74 per cent has evolved a good response;

(b) if so, whether 11 pharma companies have applied to the Foreign Investment Promotion Board (FIPB) to hike their stake to 100%;

(c) whether the Foreign Institutional Investment Authority has in the last 18 months resolved 69 of the 109 issues brought before it; and

(d) if so, to what extent this decision has helped the pharmaceutical companies?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) and (b) Subsequent to the issuance of Press Note No. 4 of 2001 Series dated 21.5.2001 allowing 100% Foreign Direct Investment (FDI) on the automatic route for manufacture of drugs and pharmaceuticals, except for activities attracting compulsory licensing or involving use of recombinant DNA technology, and specific cell/tissue targeted formulations, a total number of 41 cases have been approved for foreign collaboration by FIPB and RBI (under its automatic route) with total investment intentions of Rs. 302.09 crore. Out of these, 4 cases have been approved by FIPB for increase in foreign equity to 100% in the Drugs & Pharmaceuticals sector involving investment intentions of Rs. 6.69 crore. A total number of 257 proposals involving a total investment of Rs. 2916.81 crore have been granted in this sector from 1.8.1991 to 31.5.2002.

(c) and (d) Till date, Foreign Investment Implemenation Authority (FIIA) has resolved/decided 72 issues out of 109 brought before it. One of the issues resolved, pertains to a pharmaceutical company relating to obtaining pollution clearance from the State Government.